FIRST SUPPLEMENT DATED DECEMBER 16, 2020 TO THE PROSPECTUS DATED SEPTEMBER 4, 2020

Scotiabank

THE BANK OF NOVA SCOTIA

(a Canadian chartered Bank)

CAD100,000,000,000

Global Registered Covered Bond Program

Unconditionally and irrevocably guaranteed as to payments of interest and principal by

SCOTIABANK COVERED BOND GUARANTOR LIMITED PARTNERSHIP

(a limited partnership established under the laws of the Province of Ontario)

The Bank of Nova Scotia (the "**Bank**") issued a prospectus dated September 4, 2020 (the "**Prospectus**") which is a base prospectus for the purposes of Article 8 of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") and Admission Particulars in respect of notes to be admitted to the Official List of the Financial Conduct Authority, admitted to trading on the Main Market of the London Stock Exchange plc and admitted to trading on the International Securities Market of the London Stock Exchange plc. This first supplement (the "**First Supplement**") constitutes a supplement in respect of the Prospectus for the purposes of Article 23 of the Prospectus Regulation and supplementary admission particulars in respect of the Admission Particulars for the purposes of the ISM Rulebook, and is prepared in connection with the CAD100,000,000,000 Global Registered Covered Bond Program unconditionally and irrevocably guaranteed as to payments of interest and principal by Scotiabank Covered Bond Guarantor Limited Partnership (the "**Guarantor**") (the "**Program**") established by the Bank.

Terms defined in the Prospectus have the same meaning when used in this First Supplement. This First Supplement is supplemental to, and shall be read in conjunction with, the Prospectus and any other supplements to the Prospectus issued by the Bank from time to time.

Each of the Bank and the Guarantor accepts responsibility for the information contained in this First Supplement. To the best of the knowledge of each of the Bank and the Guarantor, the information contained in this First Supplement is in accordance with the facts and this First Supplement makes no omission likely to affect its import.

1. Purpose of the First Supplement

The purpose of this First Supplement is to (a) incorporate by reference the Bank's 2020 annual information form and the annual audited consolidated financial statements and management's discussion and analysis as at and for the years ended October 31, 2020 and October 31, 2019, prepared in accordance with International Financial Reporting Standards ("**IFRS**"); (b) to update the "General Information" section of the Prospectus in relation to any significant change in the financial performance or financial position or material adverse change in the prospects of the Bank and its subsidiaries, including the Guarantor; (c) following the release of the Bank's management's discussion and analysis as at and for the years ended October 31, 2020 and October 31, 2019, to update the risk factors in the Prospectus; and (d) to update and amend the disclosure under the Directors and Board Committees of the Bank in the Prospectus.

2. Documents Incorporated by Reference

By virtue of this First Supplement, the following documents are incorporated in and form part of the Prospectus:

(i) the Bank's annual information form dated December 1, 2020, excluding all information incorporated therein by reference (the "**2020 AIF**"); and

(ii) the Bank's audited consolidated financial statements as at and for the years ended October 31, 2020 and October 31, 2019, prepared in accordance with IFRS, together with the auditors' reports thereon and management's discussion and analysis of the financial condition and financial performance for the years ended October 31, 2020 and October 31, 2019, all as set out on pages 14 to 146 and 147 to 248 of the Bank's 2020 Annual Report (the "**2020 Annual Report**"). The remainder of the Bank's 2020 Annual Report is not incorporated and is either covered elsewhere in the Prospectus or deemed not relevant to investors.

In accordance with Article 4.1 of Regulation (EC) 1060/2009 on Credit Rating Agencies (the "**CRA Regulation**"), please note that the annual information form contains references to credit ratings and information on pages 13 to 14 and the management's discussion and analysis and the audited consolidated financial statements contain references to credit ratings and information on pages 68 to 69.

Copies of the documents incorporated by reference have been filed with the Financial Conduct Authority and, by virtue of this First Supplement, these documents are incorporated in, and form part of the Prospectus for the purposes of Article 8 of the Prospectus Regulation.

The Bank's 2020 AIF is available at the following link:

https://www.scotiabank.com/content/dam/scotiafunds/documents/AIF_2020.pdf

The Bank's 2020 Annual Report is available at the following link:

https://www.scotiabank.com/content/dam/scotiabank/corporate/quarterly-reports/2020/q4/BNS_Annual_Report_2020.pdf

To the extent that any document or information incorporated by reference or attached to this First Supplement itself incorporates any other documents or information by reference therein, either expressly or implicitly, such other documents or information will not form part of this First Supplement for the purposes of the Prospectus Regulation or the ISM Rulebook except where such other documents or information are specifically incorporated by reference or attached to this First Supplement.

3. Any significant change in the financial performance or financial position of the Bank and its respective subsidiaries or material adverse change in the prospects of the Bank and its subsidiaries

There has been no significant change in the financial performance or financial position of the Bank and its Subsidiaries, including the Guarantor, taken as a whole and no material adverse change in the prospects of the Bank and its Subsidiaries, including the Guarantor, taken as a whole since October 31, 2020, being the date of the latest audited published consolidated financial statements of the Bank.

4. Risk Factors in the Prospectus

The section entitled "**1. Risks relating to the Bank**" under the heading "**RISK FACTORS**" on pages 28 to 40 of the Prospectus is deleted and replaced with the following:

"**1. Risks relating to the Bank**

1.1. Principal Risks

As a large, international financial services company; the Bank faces risks that are inherent in the business and market places in which it operates. As part of its Risk Management Framework, the Bank has a comprehensive risk identification and assessment process. This includes, on an annual basis, a Bank-wide risk assessment that identifies and evaluates the risks faced by the Bank. From this assessment, management determines on an annual basis, a list of Principal Risks, those risks which management considers of primary importance having a significant impact or influence on the Bank's primary business and revenue generating activities or inherent in the Bank's business and can have significant negative strategic, business, financial and/or reputational consequences.

1.1.1. COVID-19 Pandemic may have an adverse impact on the Bank

On 11 March 2020, the World Health Organization declared COVID-19 a global pandemic. Governments and regulatory bodies in affected areas have imposed a number of measures designed to contain the outbreak, including government-mandated social distancing measures, travel restrictions, quarantines, and stay at home directives. The breadth and depth of the impact of COVID-19 on the global economy and financial markets continues to evolve with disruptive effects in countries in which the Bank operates and the global economy. While some of the Government and Regulatory measures have been eased across regions and the economy has started to recover, subsequent spikes in the virus have caused some measures to be reinstated and future economic activity to be uncertain. COVID-19 continues to impact the Bank's employees, customers and communities, impacting the Bank's operations, financial results and present and future risks to the Bank's businesses. The Bank is closely monitoring the potential effects and impact of the pandemic, which is an evolving situation.

The COVID-19 pandemic has had disruptive effects in Canada and other countries in which the Bank operates and the global economy more widely, as well as causing increased volatility and disruption in financial markets, interruption to supply chains, increased unemployment levels and changes to the macroeconomic environment. Volatility and unemployment levels have eased since the spike in Q2 2020, however, continue to remain elevated. The disruptive effects of the pandemic have contributed to economic slowdowns both domestically and globally, leading to lower GDP growth, and concerns about a prolonged Canadian recession and the sustainability of Canadian household indebtedness. For most industrialized economies, including Canada, economic activity is not expected to return to the 2019 levels until early 2022.

Governments and central banks around the world, including Canada, have taken, and are continuing to take, significant measures to provide economic assistance to individual households and businesses, stabilize the markets, and support economic growth. While many of these measures have been relaxed, the resurgence in the spread of COVID-19 has caused certain restrictions to be reimposed and the Bank's participation directly or on behalf of customers and clients in these programs may face challenges, including increased risk of client disputes, negative publicity, exposure to litigation, or government and regulatory scrutiny, all of which could increase the Bank's operational, legal and compliance costs and damage to its reputation. The effectiveness of these programs will depend on the duration and scale of COVID-19 and will vary by region and industry, with varying degrees of benefit to the Bank's customers.

In addition to the impact that the COVID-19 pandemic has on the Bank's business, it may also continue to increase financial stress on the Bank's customers. This could lead to increased pressure on the Bank's individual customers, as well as on the financial performance of the Bank's small business, commercial and corporate clients in conjunction with operational constraints due to the impacts of social distancing, including but not limited to continued closures or reduced operating hours, lost sales opportunities and/or increased operating costs. A substantial amount of the Bank's business involves making loans or otherwise committing resources to borrowers, including individuals, companies in various industries and governments. The COVID-19 pandemic's impact on such borrowers could have significant adverse effects on the Bank's financial results, businesses, financial condition or liquidity, including influencing the recognition of credit losses in the Bank's loan portfolios and increasing the Bank's allowance for credit losses, particularly if businesses remain closed or operate at reduced capacities and as more customers are expected to draw on their lines of credit or seek additional loans to help finance their businesses.

The COVID-19 pandemic has and may continue to result in disruptions to the Bank's customers and the way in which the Bank conducts business. This includes the closure of certain branches, increased staff working off premise, and changes to operations due to higher volumes of client request, as well as disruptions to key suppliers of the Bank's goods and services. Although the Bank has initiated work from home arrangements and restricted business travel of the Bank's workforce, if significant portions of the Bank's workforce, including key personnel, are unable to work effectively because of illness, government actions, or other restrictions in connection with the pandemic, the impact of the pandemic on the Bank's businesses and operations could be exacerbated.

The Bank has put in place proactive measures to manage the heightened risks caused by COVID-19, including risks relating to privacy, third party, credit, and business continuity. There are Government Relief Programs and Bank relief measures in place to protect customers against adverse economic conditions caused by the Pandemic. Refer to the impact of COVID-19 section on page 25 of the 2020 Annual Report incorporated in the Prospectus by reference for further details on the relief programs in place.

1.1.2. Credit Risk

Credit risk is the risk of loss resulting from the failure of a borrower or counterparty to honour its financial or contractual obligations to the Bank. Credit risk arises in the Bank's direct lending operations, and in its funding, investment and trading activities where counterparties have repayment or other obligations to the Bank.

The Bank's credit exposure includes (i) corporate and commercial, (ii) traded products and (iii) retail. Traded products are transactions such as derivatives, foreign exchange, commodities, repurchase/reverse repurchase agreements and securities lending/borrowing. See table entitled "Total credit risk exposures and risk-weighted assets" on page 136 of the Bank's 2020 Annual Report incorporated by reference in the Prospectus for more information. The Bank's credit risk framework and policies set out, among other things, the credit risk rating systems and associated parameter estimates, the delegation of authority for granting credit, and the calculation of allowance for credit losses. The Bank's credit risk rating system is subject to rigorous validation, governance and oversight framework, and is regularly reviewed. The Bank's regional credit risk is spread across its markets (Canada 66%, United States 7%, Chile 8%, Mexico 5% and Other 14%).

As at 31 October 2020, the Bank's provision for credit losses totalled 6,084 million ($3,027 million for the year ended 31 October 2019). Notwithstanding such provision and the efforts made to manage such risks diligently, there is no guarantee that procedures put in place can assess accurately and mitigate all of the risks of exposure to borrowers and counterparty's failure to honour contractual obligations or the worsening of the credit rating of borrowers and counterparties, and the failure of any such procedures may negatively impact the Bank's financial condition, reputation and/or results of operations.

1.1.3. Market Risk

Market risk is the risk of loss from changes in market prices and rates (including interest rates, credit spreads, equity prices, foreign exchange rates and commodity prices), the correlations between them, and their levels of volatility.

The Board of Directors reviews and approves market risk policies and limits annually. The Bank's Asset-Liability Committee (ALCO) and Market Risk Management and Policy Committee (MRMPC) oversee the application of the framework set by the Board, and monitor the Bank's market risk exposures and the activities that give rise to these exposures. MRMPC establishes limits to assist in managing market risk exposures and these limits are reviewed at least annually. Global Risk Management provides independent oversight of all significant market risks, supporting MRMPC and ALCO. The Bank uses a variety of metrics and models to measure and control market risk exposures. Such measurements are selected based on an assessment of the nature of the risk in particular activity. The principal measurement techniques are value at risk (VaR), stressed value at risk (Stressed VaR), incremental risk charge, stress testing, sensitivity analysis and gap analysis.

Market risk arises in the Bank's (a) trading activities and (b) non–trading activities, with the two principal non-trading market risks being the risks of interest rate and exchange rate volatility, described further below. The market risk arising from the Bank's trading activities is managed in accordance with Bank policies, and aggregate VaR and stress testing limits. The quality of the Bank's VaR is validated by regular backtesting analysis, in which the VaR is compared to both theoretical profit and loss results based on fixed end of day positions and actual reported profit and loss. See the table entitled “Trading portfolio risk management” on page 241 of the 2020 Annual Report incorporated in the Prospectus by reference for more information on the VaR by type of market risk along with Stressed VaR.

The Issuer is subject to interest rate risk arising from the Issuer’s lending, funding and investment activities and is the risk of loss due to the following: changes in the level, slope and curvature of the yield curve; the volatility of interest rates and mortgage prepayment rates. The Bank has adopted policies and global limits to control the risk to net interest income and the economic value of shareholders’ equity.

The Bank’s interest rate risk exposure calculations are generally based on the earlier of contractual re-pricing or maturity of on-balance sheet and off-balance sheet assets and liabilities, although certain assets and liabilities such as credit cards and deposits without a fixed maturity are assigned to a maturity profile based on the longevity of the exposure.

The table below (non-trading interest rate sensitivity) shows the pro-forma after tax impact on the Bank’s net interest income over the next 12 months and economic value of shareholders’ equity of an immediate and sustained 100 basis points increase and decrease in interest rate across major currencies as defined by the Bank. Corresponding with the current low interest rate environment, starting in the second quarter of 2020, the net interest income and economic value for a down shock scenario are measured using 25 basis points decline rather than 100 basis points previously, to account for certain rates being floored at zero. These calculations are based on models that consider a number of inputs and are on a constant balance sheet and make no assumptions for management actions to mitigate the risk.

	31 October 2020							31 October 2019	
	Net Income			Economic Value					
($ millions)	Canadian dollar	Other currencies	Total	Canadian dollar	Other currencies	Total		Net income	Economic value
+100 bps	$ (38)	$ 172	$ 134	$ (524)	$ 14	$(510)	+100 bps	$(273)	$(1,448)
-25 bps	6	(44)	(38)	83	(20)	63	-100 bps	267	$1,173

Foreign currency risk is the risk of loss due to changes in spot and forward rates and it arises in the Bank’s unhedged funding and investment activities primarily from the Bank’s net investment in foreign operations as well as foreign currency earnings in its domestic and remitting foreign branch operations. The Bank’s revenues, expenses and income denominated in currencies other than the Canadian dollar are subject to fluctuations in the movement of the Canadian dollar relative to such currencies.

As at 31 October 2020, a one percent increase (or decrease, as applicable) in the Canadian dollar against all currencies in which the Bank operates decreases (increases) the Banks before-tax annual earnings by approximately $66 million (31 October 2019 - $64 million) in the absence of hedging activity, primarily from exposure to the U.S. dollar. A strengthening or weakening of the Canadian dollar compared to the U.S. dollar, Mexican peso, Peruvian Sol, Colombian Peso and Chilean Peso could reduce or increase, as applicable, the translated value of the Issuer's foreign currency denominated revenue, expenses and earning and could have a significant impact on the Bank's overall business and financial results. For information on impact of foreign currency translation, see table entitled "Impact of foreign currency translation" on page 27 of the 2020 Annual Report. The Issuer has adopted specific policies to manage market risk and the monitoring of the associated foreign exposure limits described above. Despite such policies, the Issuer remains exposed to the risks of fluctuations in currency and risk of loss as a result of market risks which may have a negative impact on the business, financial condition and/or results of operations of the Issuer.

1.1.4. Liquidity Risk

Liquidity risk is the risk that the Bank is unable to meet its financial obligations in a timely manner at reasonable prices. Financial obligations include liabilities to depositors, payments due under derivative contracts, settlement of securities borrowing and repurchase transactions, and lending and investment commitments.

Liquidity risk is managed through a framework and supporting policies as well as limits that are approved by the Board of Directors. Senior management oversight of liquidity risk is managed through the ALCO committee.

Liquid assets are a key component of liquidity management and the Bank holds these types of assets in sufficient quantity to meet potential needs for liquidity management. The Issuer maintains large holdings of unencumbered liquid assets to support its operations. These assets generally can be sold or pledged to meet the Bank's obligations. As at 31 October 2020, unencumbered liquid assets were $250 billion, and $211 billion as at 31 October 2019. The Issuer's liquidity pool is held across major currencies, mostly comprised of Canadian and U.S. dollar holdings.

Liquidity Risk is measured and controlled through a range of metrics with applicable limits, including the liquidity coverage ratio, net stable funding ratio, net cumulative cash flow, funding concentration, minimum liquidity buffer, maximum amount of pledged assets, minimum liquidity stress surplus, and maximum cash gaps guidance levels.

The Issuer is required to maintain an adequate level of unencumbered high-quality liquid assets that can be converted into cash to meet liquidity needs over a 30 calendar day horizon under a pre-defined significantly severe liquidity stress scenario. This is measured by the Liquidity Coverage Ratio (LCR) which is based on a 30-day liquidity stress scenario, with assumptions defined in the OSFI Liquidity Adequacy Requirements (LAR) Guideline. The LCR is calculated as the ratio of high quality liquid assets to net cash flows. Currently, the Issuer is subject to a regulatory minimum LCR of 100%. The Issuer's LCR as at 31 October 2020 was 138% . For additional information on the Bank's LCR, see table on page 110 of the Bank's 2020 Annual Report. Effective liquidity risk management is essential to maintain the confidence of depositors and counterparties, to manage the Issuer's cost of funds and support its core business activities even in adverse circumstances. Any significant deterioration in the Issuer's liquidity position may lead to an increase in funding costs or constrain the volume of new lending. These factors may adversely impact the Issuer's profitability and financial performance and condition.

1.1.5. *Operational Risks*

Operational risk is the risk of loss resulting from people, inadequate or failed processes and systems, or from external events. Operational risk includes third party risk management and legal risk but excludes strategic risk and reputational risk. It also exists in some form in each of the Bank's business and support activities, and third parties to whom activities have been outsourced. It can result in financial loss, regulatory sanctions and damage to the Bank's reputation. Operational risk management refers to the discipline of systematic identification, assessment, measurement, mitigation, monitoring, and reporting of operational risk.

Similar to all large organizations, the Issuer is exposed to many types of operational risk, including the risk of fraud by employees or outsiders, unauthorized transactions by employees, temporary loss or shortage of employees, or operational errors, including clerical or record keeping errors or errors resulting from faulty or disabled computer or telecommunications systems. Given the high volume of transactions the Issuer processes on a daily basis, certain errors may be repeated or compounded before they are discovered and successfully rectified. Shortcomings or failures in the Issuer's internal processes, people or systems, including any of the Issuer's financial, accounting or other data processing systems, could lead to, among other consequences, direct or indirect financial loss, regulatory sanctions, and reputational damage. In addition, despite the contingency plans the Issuer has in place, the Issuer's ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports the Issuer's businesses and the communities in which they are located.

Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that the Issuer will be unable to comply with its obligations as a company with securities admitted to the Official List or as an authorised firm regulated by the Financial Conduct Authority.

The Bank's Operational Risk Management Framework sets out an integrated approach to identify, assess, control, mitigate and report operational risks across the Bank. The Bank applies the Standardized Approach (TSA) for calculating operational risk capital as per the applicable Basel Standards. As at 31 October 2020, the risk weighted assets of the Issuer amounted to $417.1 billion, $47.8 billion of which was for operational risks.

1.1.6. *Information Technology (IT) and Cybersecurity Risks*

IT Risk refers to the effect of uncertainty on the Issuer's objectives associated with the use, ownership, operation, involvement, influence and adoption of IT within an enterprise. Cybersecurity risk is a subject of unique IT Risk faced as a result of using interconnected systems and digital technologies.

IT and Cybersecurity risks continue to evolve across the financial industry. The increasing use of online delivery channels and mobile devices to perform financial transactions leave the bank vulnerable to operational disruptions due to multiple factors such as: human errors, frauds, infrastructure failures, issues with our business partners, among others. Those events may increase costs or may negatively impact the Bank's operational environment, our customers and other third parties. The Issuer continues to expand its capabilities to defend against potential threats and minimize the impact to the business.

Cybersecurity risk arises from multiple threats includes risks in the form of cyber-attacks, data breaches, cyber extortion and similar compromises and continues to impact financial institutions and other businesses in Canada and around the globe. Threats are not only increasing in volume but in their sophistication as adversaries use ever evolving technologies and attack vectors. The technology environment of the Issuer, its customers and the third parties providing services to the Issuer, may be subject to attacks, breaches or other compromises. Incidences like these can result in disruption to operations, misappropriation or unauthorized release of confidential, financial or personal information, and reputational damage, among other things. The Issuer proactively monitors the cyber security risks through constantly updating and refining programs as threats emerge to minimize disruptions to keep systems and information protected. In the event of a successful cyber-attack, the Issuer would be exposed to financial loss, reputational loss, the risk of not achieving its business objectives as well as major disruption in its operations. The Bank has purchased insurance coverage to help mitigate against certain potential losses associated with cyber incidents.

(a) Innovation and disruption

The pace of technology innovation continues to impact the financial services industry and its customers. Regulatory frameworks on Open Banking are supporting the increased competition within the industry, including from non-traditional new participants, that may challenge the position of financial institutions. With new participants disrupting traditional banking operating model, competition for customers in the consumer and business markets in which the Issuer operates is intense. In response to increased consumer demands, the Issuer has embarked on a multi-digital transformation, with the aspiration to be a digital leader in the market place. To support this strategy, the Issuer has opened digital factories in Toronto and its key international markets, in Mexico, Peru, Chile and Colombia to contribute to the financial innovation, while continuing to monitor for evolving risks in new technology tools. Competition from non-financial companies could adversely affect the Issuer's business strategies, financial performance, and reputation.

(b) Information Technology Third Party Service Providers

As the Issuer continues to expand its ecosystem of third party IT services, cloud providers and FinTec partners, the traditional boundaries of where the Issuer requires asserting control are extending. There is growing dependency on the effectiveness of the control environment in place at IT vendors to limit the impacts of vendor availability and security incidents on the Issuer's operations, intellectual property, and reputation. Additionally, third party service providers other than IT vendors, as well as service providers to those third parties (i.e. fourth party vendors) can also fall victim to systems, data and privacy breaches if their control environments fail to operate effectively. Any such breaches could impact the Issuer if the Issuer's data is shared with such vendors in the course of their provision of services to the Issuer. The Issuer continues to enhance the resources, capabilities and accountabilities of third party risk management areas within the first and second line of defence areas, including the activities to oversee the appropriate controls and risk mitigants are in place.

1.1.7. Compliance Risk

Compliance Risk is the risk of an activity not being conducted in conformity with applicable laws, rules, regulations and prescribed practices, as well as compliance-related internal policies and procedures, and ethical standards expected by regulators, customers, investors, employees and other stakeholders.

As a global organization, with operations in numerous jurisdictions world-wide, the Bank is subject to (and must comply with) various regulatory requirements established by governments, regulators and self-regulating bodies. In a world of increasingly complex and evolving regulatory requirements and escalating enforcement activity, the Bank must keep pace with regulatory expectations as well as accepted industry best practices and ethical standards across its global footprint. See "Business Line Overview" on pages 42 to 59 of the 2020 Annual Report incorporated by reference in the Prospectus for a detailed description of the Issuer's business segments and the jurisdictions in which it operates. Although the Bank continually monitors and evaluates the potential impact of regulatory developments to assess the impact on its businesses and to implement any necessary changes, regulators and private parties may challenge our compliance. Failure to comply with legal and regulatory requirements may result in fines, penalties, litigation, regulatory sanctions, enforcement actions and limitations or prohibitions from engaging in business activities, all of which may negatively impact the Bank's financial performance and its reputation. See note 23 (Provisions) and note 27 (Corporate Income Taxes) of the 2020 Annual Report for more information on ongoing litigation and investigations. In addition, day-to-day compliance with existing laws and regulations has involved and will continue to involve significant resources, including requiring the Bank to take actions or incur greater costs than anticipated, which may negatively impact the Bank's financial performance. Such changes could also adversely impact the Bank's business strategies or limit its product or service offerings, or enhance the ability of the Bank's competitors to offer their own products and services that rival those of the Bank. Regulators have also evidenced an increased focus on risks associated with conduct, privacy, model risk, and operational resilience. This focus could lead to more regulatory or other enforcement actions including for practices which may historically have been considered acceptable.

The regulatory bar is constantly rising with regulations being more vigorously enforced and new regulations being enacted. The bar of public expectations is also constantly rising. Regulators and customers expect the Bank and its employees will operate its business in compliance with applicable laws and will refrain from unethical practices and failure to do so would adversely impact the reputation of the Bank. For a discussion of the supervision and regulations that the Issuer is subject to in Canada and other key jurisdictions such as the United States, Mexico, Peru, Chile, Colombia and United Kingdom, refer to pages 4 to 8 of the Bank's Annual Information Form incorporated by reference in the Prospectus.

The Bank continues to monitor and respond to global regulatory developments relating to a broad spectrum of topics, such that control and business units are responsive on a timely basis and business impacts, if any, are minimized. For additional information on some of the key regulatory developments that have the potential of impacting the Bank's operations, see "Regulatory Developments" on page 126 of the 2020 Annual Report, which is incorporated by reference in the Prospectus.

1.1.8. Money Laundering, Terrorist Financing and Sanctions Risk

Money Laundering, Terrorist Financing (**ML/TF**) and Sanctions risk is the susceptibility of the Bank to be used by individuals or organizations to launder the proceeds of crime, finance terrorism, or violate economic sanctions. It also includes the risk that the Bank does not conform to applicable Anti-Money Laundering / Anti-Terrorist Financing or Sanctions legislation, or does not apply adequate controls reasonably designed to detect and deter ML/TF and sanctions violations or to file any required regulatory reports.

The Issuer is subject to the expanding and constantly evolving anti-money laundering/anti-terrorist financing and economic sanctions laws and regulations internationally across the Bank's global footprint. See "Regulatory Developments" on page 126 of the 2020 Annual Report for more information on changes to Canada's domestic AML legislation. Due to the breadth of services offered by the Bank and the geographic exposure of its operations, money laundering, terrorist financing, and economic sanctions violations represent inherent risks to the Bank including regulatory, legal, financial and reputational exposure. If the Bank was found to be in breach of its regulatory obligations, it could be subject to a material fine and/or restrictions on its business operations. The Issuer maintains an Anti-Money Laundering (AML) Program which includes policies, procedures and control standards relating to client identification and due diligence, transaction monitoring, payment and name screening, as well as investigation and reporting of suspicious activity. The AML Program is designed with the goal of preventing, deterring, detecting and reporting suspected money laundering and terrorist financing activities across the organization, and ensuring compliance with the laws and regulations of the various jurisdictions in which the Issuer operates.

1.1.9. Reputational Risk

Reputational risk is the risk that negative publicity regarding the Issuer's conduct, business practices or associations, whether true or not, will adversely affect its revenues, operations or customer base, or require costly litigation or other defensive measures.

Negative publicity about an institution's business practices may involve any aspect of its operations, but usually relates to questions of business ethics and integrity, or quality of products and services. Such negative publicity has an impact on the Bank's brand and reputation. Negative publicity and related reputational risk frequently arise as a by-product of some other kind of risk management control failure such as compliance and operational risks. In some cases, reputational risk can arise through no direct fault of an institution, but indirectly as a ripple-effect of an association or problems arising within the industry or external environment.

The Issuer's reputation is rooted in the perception of its stakeholders, and the trust and loyalty they place in the Issuer is core to the Issuer's purpose as a financial services organization. A strong and trustworthy reputation will generally strengthen the Issuer's market position, reduce the cost of capital, increase shareholder value, strengthen the Issuer's resiliency, and help attract and retain top talent. The Issuer has various reputational procedures and policies in place, such as the Reputational Risk Policy, policy and procedures for managing reputational and legal risk associated with structured finance transactions and the Global Risk Management plays a significant role in the identification and management of reputational risk associated with business initiatives, new products and services and sales practice issues.

Conversely, damage to the Issuer's reputation can result in reduced share price and market capitalization, increased cost of capital, loss of strategic flexibility, inability to enter or expand into markets, loss of client loyalty and business, or regulatory fines and penalties. The sources of reputation risk are widespread; risk to the Issuer's reputation can occur in connection with credit, regulatory, legal and operational risks. The Issuer can also experience reputation risk from a failure to maintain an effective control environment, exhibit good conduct, or have strong risk culture practices, all of which may have a negative impact on the Issuer's reputation, financial performance and condition.

The Issuer's reputational risk is managed and controlled by the Scotiabank Code of Conduct (Code), governance practices and risk management programs policies, procedures and training. The Issuer's directors, officers, and employees have a responsibility to conduct their activities in accordance with the Code, and in a manner that minimizes reputational risk and safeguards the Issuer's reputational risk and safeguards the Issuer's reputation.

The Issuer has in place a Reputational Risk Committee which considers a broad array of factors when assessing transactions, so that the Issuer meets, and will be seen to meet, high ethical standards. These factors include the extent, and outcome, of legal and regulatory due diligence pertinent to the transaction; the economic intent of the transaction; the effect of the transaction on the transparency of a customer's financial reporting; the need for customer or public disclosure; conflicts of interest; fairness issues; and public perception. The Reputational Risk Committee also holds regular quarterly meetings to review activities in the quarter, review metrics and discuss any emerging trends or themes. The Reputational Risk Committee may impose conditions on customer transactions, including customer disclosure requirements to promote transparency in financial reporting, so that transactions meet Issuer standards. In the event the Committee recommends not proceeding with a transaction and the sponsor of the transaction wishes to proceed, the transaction is referred to the Risk Policy Committee.

1.1.10. Environmental Risk

Environmental risk refers to the possibility that environmental concerns involving the Issuer or its customers could affect the Issuer's performance. The Issuer considers climate-related risks to be a component of environmental risk. Climate change risk is the risk an entity faces in potential revenue losses, cost increases, liability exposures and/or asset impairment that threaten their viability based on physical and transition risks associated with climate change.

The Issuer has in place environmental policies guiding day-to day operating, lending practices, supplier agreements, the management of real estate holdings and external reporting practices. These policies play a prominent role in guiding the reduction of the Issuer's environmental footprint supported by environmentally focused products and services. The failure to adequately implement environmental policy and legislative requirements may have a negative impact on the Issuer's reputation, financial performance and condition.

To continue operations in an environmentally responsible manner, the Bank monitors policy and legislative requirements through ongoing dialogue with government, industry and stakeholders in countries where it operates. The Bank has been meeting with environmental organizations, industry associations and socially responsible investment organizations with respect to the role that banks can play to help address issues such as climate change, protection of biodiversity, promotion of sustainable forestry practices, implementing the recommendations of the Task Force on Climate-related Financial Disclosure, and other environmental issues important to its customers and communities where it operates. The Bank has an ongoing process of reviewing its practices in these areas.

The Issuer recognizes that climate change is significantly impacting natural systems and communities across the globe and poses a significant risk to the global economy and society as a whole. Climate change has the potential to impact the Bank's retail and business banking profitability through credit losses. Severe weather can damage Bank properties and disrupt operations. Emerging policy/regulatory actions on climate can elevate the Bank's reputational, legal and regulatory compliance risks. Efforts to address climate change will require significant mobilization of capital from public and private sources worldwide.

The Issuer has been reporting climate change related risks according to the recommendations of the G7 mandated Taskforce for Climate Related Financial Disclosures (TCFD) since 2018. Since November 2019 a climate change risk assessment became a mandatory part of annual due diligence for all business banking loans. Climate change risks are integrated into annual Industry Reviews which guide credit allocations.

The Issuer has been a signatory to the Equator Principles since 2006. The Equator Principles have been integrated into the Bank's internal processes and procedures for project finance. The Equator Principles help financial institutions determine, assess, manage and report environmental and social risk. The principles apply to project finance loans and advisory assignments where total capital costs exceed US$10 million, and to certain project-related corporate loans. The Equator Principles provide safeguards for sensitive projects to ensure protection of natural habitats and the rights of indigenous peoples, as well as safeguards against the use of child and forced labour.

The Issuer sets monitors and reports on climate change related performance and targets annually in the Issuer's Sustainable Business Report. As part of Issuer's Climate Commitments, the Issuer is tracking the initiatives that underlie its commitment as part of the metrics and targets it has adopted pursuant to these Commitments.

1.1.11. Strategic Risk

Strategic risk is the risk that the enterprise, business line or corporate functions of the Issuer will make choices that are ineffective or insufficiently resilient to changes in the business environment, or will be unable to successfully implement selected strategies or related plans and decisions. Business strategy is the major driver of the Issuer's risk appetite and consequently the strategic choices the Issuer makes in terms of business mix determine how the Issuer's risk profile changes. For more information on the Issuer's strategic goals in each of its business segments, see pages 42 to 59 of the 2020 Annual Report incorporated by reference into the Prospectus and for information on recent acquisitions and divestitures, see note 37 (Acquisitions and divestitures) of the 2020 Annual Report. The Issuer's ability to execute on its objectives and strategic goals will influence its financial performance. Despite the processes in place to manage strategic risk, if the Issuer is unable to successfully implement selected strategies or related plans and decisions, if the Issuer makes inappropriate strategic choices or if the Issuer makes a change to its strategic goals, its financial performance, condition and prospects could be adversely affected.

1.1.12. Data Risk

Data Risk is the risk, whether direct or indirect, to data that is used to support the Issuer's ability to make informed decisions and develop accurate reporting and analytics for the Issuer including the Board, senior management and regulators, or for customer facing and/or marketing purposes. Risks to which the Issuer is exposed include data management, data taxonomy, metadata, breaches or data that is incomplete, inaccurate, invalid, untimely and/or inaccessible.

Data is considered one of the Issuer's most strategic assets and the volume, value and type of data the Issuer handles has exponentially increased in recent years. Enhanced rigor towards data management is a concentrated focus for the Bank with the increase in regulatory demands. Data is produced and consumed by different business lines and geographies of the Issuer. Failure by the Bank to manage such data in an effective, collaborative and holistic way could adversely affect, the Issuer's reputation, regulatory compliance and financial performance and condition.

1.1.13. Model Risk

Model risk is the risk of adverse financial (e.g., capital, losses, revenue) and reputational consequences arising from the design, development, implementation and/or use of a model. It can originate from inappropriate specification; incorrect parameter estimates; flawed hypotheses and/or assumptions; mathematical computation errors; inaccurate, inappropriate or incomplete data; inappropriate, improper or unintended usage; and inadequate monitoring and/or controls.

Model risk continues to receive increasing regulatory focus given growing adoption of analytics-driven insights across financial institutions. Regulatory guidelines for model risk set out expectations for the establishment of an enterprise-wide risk management framework, including policies and procedures to identify, assess and manage the risks inherent in any model. The Bank proactively monitors and manages the risks associated with the development and use of models. It has an enterprise-wide model risk management policy in place, supported by appropriate processes and procedures, that support the identification and management of material risks associated with models. The Bank also continues to enhance model risk governance practices, processes and controls to effectively monitor and mitigate risks. However, failure to properly manage such risk could adversely impact the Bank's financial performance, position and reputation.

1.2. Emerging and other risks that could impact future results

The Bank is exposed to a variety of emerging and other risks that can potentially adversely affect the Bank's business strategies, financial performance, and reputation.

1.2.1. Geopolitical risk

Geopolitical risks including trade tensions could affect volatility in foreign exchange and capital markets globally. This affects all participants in these markets. In the short run, a market shock could potentially impact the Bank's trading and non-trading market activities and revenues. Over a longer period of time, the more broadly based macroeconomic effects could potentially impact the Bank's exposures to customers and market segments impacted by those shocks.

For discussion on the Bank's economic outlook in Canada and countries in which the Bank operates in, such as economic impact of COVID-19 and economic activity, see "Economic Outlook" on page 27 of the Bank's 2020 Annual Report incorporated by reference in this Prospectus.

The UK formally left the EU on 31 January 2020. Political agreement has been reached on a transition period, which is expected to end on 31 December 2020. All EU legislation will continue to apply in the UK during such transition period. The UK's exit from the EU may result in significant changes in law(s), which may impact the Bank's business, financial condition and/or results of operations and could adversely impact the Bank's cost of funding in Europe. The Bank continually monitors developments to prepare for changes that have the potential to impact its operations in the UK and elsewhere in Europe and is developing and revising its contingency plans accordingly.

Although it is difficult to predict where new geopolitical disruption will occur or economic consequences of trade-related events, the Bank's stress testing program assists in evaluating the potential impact of severe conditions, whether caused by geopolitical or other circumstances. Management's strong understanding of the local political landscapes and macroeconomic environments in which the Bank operates, combined with the Bank's business model and diversified geographic footprint, serve as ongoing mitigants to this risk.

1.2.2. Macroeconomic uncertainty

(a) The Bank's earnings are affected by the monetary policies of the Bank of Canada and the Federal Reserve Board.

The monetary policies of the Bank of Canada and the Federal Reserve Board in the United States, as well as other interventions in capital markets, have an impact on the Issuer's income. The general level of interest rates may impact the Issuer's profitability because interest rate fluctuations affect the spread between interest paid on deposits and interest earned on loans, thereby affecting the Issuer's net income.

Furthermore, after a period of low interest rates, Canadians have increased household borrowing at a pace that exceeded their income growth. Canadian household indebtedness and the household debt service ratio are nearing historic highs. Household savings are at record lows leaving little margin to sustain consumption if the macro-economic outlook proves more negative. As a result, higher interest rates could have an adverse impact on consumers' ability to service their debt, leading to increased risk of loan losses for financial institutions that could have a negative effect on the Issuer's results, financial condition and prospects. As at 31 October 2020, residential mortgages and consumer loans accounted for $393 billion or 63% of the Issuer's total loans and acceptance outstanding. The Issuer has no control over changes in monetary policies or capital market conditions, and therefore cannot forecast or anticipate them systematically.

(b) Management of the Bank choose certain accounting policies and methods for reporting the Bank's financial condition and results of operations.

The policies and methods chosen may require management to make estimates or rely on assumptions that impact the reported results. Subsequent to reporting, such estimates and assumptions may require revision, which may materially adversely affect the Bank results of operations and financial condition.

From 1 November 2011, the Bank's financial condition and results of operations for interim and annual reports have been reported using accounting policies and methods prescribed by the International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board. For previous years, the Bank's financial condition and results of operations have been reported using accounting policies and methods prescribed by Part V of the Handbook of the Chartered Professional Accountants – Canada – Pre-Changeover Accounting Standards (**Canadian GAAP**). Effective 1 November 2017, the Bank early adopted the International Financial Reporting Standard (IFRS) 9, Financial Instruments, but did not restate comparative periods, as provided by IFRS 9.

As detailed in the section entitled "Controls and Accounting Policies – Critical Accounting Estimates" on pages 120 to 125 of the Bank's 2020 Annual Report, incorporated by reference in the Prospectus, certain accounting policies have been identified as being "critical" to the presentation of the Bank's financial condition and results of operations as they (i) require management to make particularly subjective and/or complex judgments and estimates about matters that are inherently uncertain and (ii) carry the likelihood that materially different amounts could be reported under different conditions or using different assumptions and estimates. The reporting of such materially different amounts could materially and adversely affect the Bank's results of operations or reported financial condition. These critical accounting policies and estimates relate to the determination of the Bank's allowance for credit losses, the determination of the fair value of financial instruments and impairment of investment securities, the cost of employee benefits, the provision for corporate income taxes, whether or not structured entities should be consolidated, assessment of impairment of goodwill, indefinite life intangible assets and equity provisions, litigation and other off-balance sheet credit risks.

5. Directors and Board Committees of the Bank

Under the section entitled "**THE BANK OF NOVA SCOTIA**" under the heading entitled "**Directors and Board Committees of the Bank**" on pages 89 and 90 of the Prospectus:

(i) the additional "**Board Committee Membership**" of "RC" should be added to the entry for "Lynn K. Patterson" on page 89 of the Prospectus; and

(ii) on November 1, 2020, Calin Rovinescu was appointed to the Board of Directors of the Bank and the following should be added, in alphabetical order, on page 90 of the Prospectus:

Calin Rovinescu	ACRC, HRC	President and Chief Executive Officer of Air Canada, Canada's largest full-service airline

6. General Information

To the extent that there is any inconsistency between (a) any statement in this First Supplement or any statement incorporated by reference into the Prospectus by way of this First Supplement and (b) any other statement in, or incorporated by reference in, the Prospectus, the statements in (a) above will prevail.

Save as disclosed in this First Supplement, no significant new factor, material mistake or inaccuracy relating to the information included in the Prospectus which is capable of affecting the assessment of Covered Bonds issued under the Program has arisen or been noted, as the case may be, since the publication of the Prospectus.

Copies of this First Supplement, the Prospectus and the documents incorporated by reference in either this First Supplement or the Prospectus can be obtained on written request and without charge from (i) the principal executive offices of the Bank from the Executive Vice-President and General Counsel, The Bank of Nova Scotia, Scotia Plaza, 44 King Street West, Toronto, Ontario M5H 1H1, Canada, Telephone: +1 (416) 866-3672; (ii) and from the offices of the Principal Paying Agent, Registrar and Transfer Agent, The Bank of Nova Scotia, London Branch, 201 Bishopsgate, 6th Floor, London EC2M 3NS, United Kingdom; Telephone: +44 (0)20 7638 5644 and may also be viewed free of charge on the website of the Bank at https://www.scotiabank.com/ca/en/about/investors-shareholders/funding-programs/scotiabank-global-registered-covered-bond-program.html and on the website of the Regulatory News Service operated by the London Stock Exchange at https://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html under the name of the Bank.